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SUBJECT: AUSTRALIA GROUP: 2006 INFORMATION EXCHANGE (IE)

Classified By: ESTH/NP COUNSELOR ROBERT W. DRY FOR REASONS 1.4 (B), (D), (E) AND (H).

(U) SUMMARY

1. (C) The following describes highlights of the Information Exchange (IE) portion of the annual meeting of the Australia Group (AG), which met in Paris, June 12-15, 2006 (Report on AG Plenary provided septel). The IE included 48 presentations by 13 AG member states, and 2 presentations were provided in the Joint Session by 2 member states. The US provided 20 of the 50 presentations. These presentations focused on chemical and biological warfare (CBW) programs of concern, trends and developments in CBW proliferation, prospective new members, looking ahead, summary of IE outcomes, and recommendations for the IE report to the Plenary. All papers referred to below were provided by the chair (Australia) separately and are available to concerned agencies upon request. All IE documents received will be available online at the WINPAC Threat Reduction Monitoring Group's Australia Group site on Intelink. The IE held a joint session with the enforcement experts meeting to enhance the transparency of information between the two communities over two days of meetings. The enforcement experts meeting focused on intangible transfers of technology. END SUMMARY.

(U) INTRODUCTION

2. (C) The Chairman opened the Information Exchange Session with a review of past IE efforts and thanked the membership for their continued support and commented on the value of the information exchange for all our efforts to stem the proliferation of CBW programs worldwide.

(U) EMERGING TECHNOLOGIES

3. (S) The US presented on microreactor technology.

4. (S) The UK presented the paper 'Developments in Chemical Microreactor Technology.' This paper updated the UK paper from the AG meeting in 2005 on the emergence of this new technology. Since that time the scientific discipline and related industrial applications have progressed. This paper informed the membership on those advances, advised of the possibilities for misuse and made suggestions for countering the threat presented by this technology. The paper discussed the technological advantages, limiting factors, potential factors that could contribute to CW proliferation, difficulties for use in CW applications, and considerations for control. The UK suggested that the AG monitor developments of microreactors and consider steps to develop appropriate safeguards to address potential proliferation. This paper is available online.

5. (S) The US presented on disposable bioreactors.

6. (S) New Zealand commented that the AG needed to be aware of this technology and be prepared to act on potential proliferation concerns.

7. (S) The UK presented the paper 'Fentanyl - A Cause for Concern?' The paper described fentanyl as a highly potent narcotic analgesic belonging to the opiate family that is used extensively for analgesia and anaesthesia. It discussed the Russian Special Forces use of fentanyl in the October 2002 Dubrovka Theatre hostage rescue operation intending to subdue a group of 50 Chechen rebels but resulting in the deaths of the rebels and 129 civilians. The use of fentanyl and their analogues are not included in the schedules of the CWC, and according to the UK's assessment was not contrary to Russia's obligations under the Convention. The use of fentanyl has increased the awareness of these chemicals and may lead to small scale use on the battlefield, which the UK judges would be prohibited under the CWC. Fentanyl and their derivatives are controlled nationally and coordinated internationally by the International Narcotics Control Board (INCB). Information on the INCB is provided in an annex to

this paper. Both papers are available online.

18. (S) The UK provided a paper entitled, 'Non-Lethal Warfare: Chemical Incapacitants.' The UK paper notes non-lethal warfare capabilities are being pursued by a number of countries and have the potential to be used by the military and law enforcement agencies in numerous scenarios, including urban environments and peacekeeping operations. Non-lethal weapons cover a broad spectrum to include kinetic devices, barriers, electrical devices such as TASER guns, directed energy weapons such as lasers, and various chemicals. Chemical incapacitants can cause sensory irritation-such as sneezing, coughing, or lachrymation-disabling physical effects-such as vomiting or cramps-or sensory nervous efforts-such as sedation, anesthesia, and sleep. There is considerable interest and research being done to find incapacitating agents that are potent and fast acting without the side effects that threaten human life. The UK judges that the acquisition of non-lethal warfare capabilities will continue to increase in the next ten years. This paper is available online.

(U) REGIONAL CBW OVERVIEWS

19. (S) Portugal presented a paper entitled, 'The Threat Represented by the WMD Proliferating Countries.' Portugal judges that proliferating countries, despite enforcement by international counterproliferation mechanisms, have adopted new methods that allow them to be successful in acquiring goods that can be applied to WMD programs. Portugal suggests monitoring diplomats suspected of coordinating illicit procurement as well as front companies and organizations; reinforcing information sharing at the AG to include as much actionable information as possible; and monitoring shipping companies, busy ports, and banking institutions. This paper is available online.

110. (S) Italy presented on the current status of Libya,s CW destruction, which was generally consistent with US information. Italy described Libya,s views for conducting its CW destruction, focusing on Libya,s desire to install incinerators at Jufra, the CW storage area, and then dismantle and relocate them to Tripoli for civilian hazardous waste disposal. Italy also discussed the status of the conversion of Libya,s former CWPF at Pharma 150, which should be finished by August 2006. This conversion is intended for the packaging of imported drugs for HIV, tuberculosis, and malaria and will be commissioned in September 2006. No paper was distributed.

111. (S) The US presented on Libyan CBW.

112. (S) Slovakia presented a paper on two suspicious cases of dual-use materials proliferation in 2005. During 2005, the Slovak Information Service received information about Libya,s interest in procurement of dual-use materials. Libyan military attach to Slovakia Abdulla Ali BEN OUN contacted a Slovak citizen engaged in arms trade asking him to procure boron and polybutadienes ending in hydroxyl groups. The Slovak mediator immediately considered using a forged end-user certificate. The second case presented was on Abbas SADEK, a Slovak citizen of Lebanese origin, who was officially engaged in procurement of various commodities, including unidentified chemicals. SADEK was said to be in contact with OPCW inspectors and experts from Qatar and Saudi Arabia in December 2005 but no further information was revealed to determine if any controlled materials were procured. This paper is available online.

113. (S) The US presented on Iran BW.

114. (S) Germany presented a PowerPoint presentation entitled 'Iran,s Level of Self-sufficiency: Does Iran Still Need Foreign Assistance for Running a BW Program?' Germany concluded that Iran is in possession of BW relevant agents and that it has the scientific knowledge to work on a BW program. They also concluded that Iran has developed a dual-use production industry and is en route to becoming self-sufficient, though it may still need to import freeze dryers and centrifuges. Iran has acquired dual-use knowledge that is relevant for BW production and has built dual-use production facilities. Germany asserted that it is no longer a question whether Iran is capable of producing BW agents, but whether it is willing to do so. This PowerPoint presentation is available online.

115. (S) France presented a paper entitled 'Activities of the Nature Bio Technology Company.' In the paper, France suggests that the Nature Bio Technology Company could produce, within six-months, an industrial production capability of 1,000 tons of Bacillus thuringiensis (BT) because of its fermenter capacity. France estimates that the Iranian Health Ministry needs up to 200 tons of BT for indigenous malaria control and that 800 tons will be exported

to Sudan and South Africa. The BT was experimentally produced by the Biological Research Center (BRC) belonging to the Iranian Research Organization of Science and Technology (IROST). The production line previously underwent small-scale tests within IROST. This pilot production was reportedly conducted on the Shahriyar Research Center of IROST. This production program of BT allows Iranians to improve their skills in fermentation and lyophilization technologies, useful in offensive BW programs. This paper is available online.

16. (S) New Zealand presented on Iran BW. New Zealand commented that although there was little evidence of Iran,s offensive program, there is plenty of information on its defensive work. Cuba, Russia, India, and China aid Iran,s defensive work. New Zealand is concerned with Iran,s biodefense connections to IROST, the Iranian Republican Guard Corp (IRGC), and the Defense Industry Organization (DIO). New Zealand noted the possibility that Iran,s defensive work could be a parallel project to offensive development. Wellington is most worried about Imam Hussein University and its development of toxins from shiga, cholera, anthrax, and clostridium bacteria.

17. (S) The US presented on Iran CW.

18. (S) The Netherlands presented a paper entitled 'Iran: Involvement of the Special Industries Group in Sulfuric Acid Projects.' According to the Netherlands, the Iranian Special Industries Group (SIG) falls under DIO, which is subordinate to the Ministry of Defense. SIG was responsible for controlling several entities involved in the CW program. After Iran acceded to the CWC, SIG entities have been involved in other projects where they actively seek new customers. The Netherlands assesses that there is no evidence that SIG is currently involved in offensive CW work. The paper discusses two cases involving SIG,s procurement of sulfuric acid plants, neither of which the Netherlands assesses have any applicability to CW. Sulfuric acid is common in the mining and petrochemical industry and is already available domestically. The Netherlands assesses that SIG,s involvement with these sulfuric acid plants is the first time that SIG has been procuring for non-military related projects and may indicate further commercialization of SIG. This paper is available online.

19. (S) Germany presented a PowerPoint presentation entitled 'Cooperation Iran-Syria: Traces for a CW Program or Development of Civil Chemical Infrastructure?' Germany presented on a Jane,s Defense Weekly article from October 26, 2005 that alleged that Iran was assisting Syria to pursue an 'innovative chemical warfare program' by establishing 4-5 CW precursor production facilities. Iran would provide the construction design and equipment to annually produce tens to hundreds of tons of precursors for VX, sarin, and mustard. Engineers from Iran,s DIO were to visit Syria and survey locations for the plants, and construction was scheduled from the end of 2005-2006. Past Iranian deals with Syria involved ethylene glycol, sodium sulfide, and hydrochloric acid, which Germany proposed could produce sulfur mustard. Previous contacts between Iran and the Syrian defensive organizations include a June 2005 antifreeze production line, the transfer in September 2005 of 1500 graphite anodes, the transfer in January 2003 of 100kg of Obidoxime Chloride, filter, gloves, etc., and the transfer in 2003-4 of ND-CAM detectors. Germany,s general assessment of these activities is that there is no indication of an independent CW-precursor production in Syria, and Iran has strongly limited know-how in chemical plant engineering. Germany also has no recent information on Syrian attempts to procure nerve agent precursors. Germany assesses that Syria is building an infrastructure for basic chemicals, the Syrian Army or Scientific Studies and Research Centre (SSRC) is procuring dual-use chemicals for sulfur mustard (including sodium sulfide), there is cooperation between the Iranian and Syrian defensive organizations, and there is long-standing cooperation between Iran and Syria on NBC-related matters. This PowerPoint presentation is available online.

20. (S) The Netherlands presented a paper entitled 'Proliferation-Relevant Applications of Monoethylene Glycol.' The Netherlands began the paper by listing common monoethylene glycol (MEG) applications and noted that it is not on any control lists domestically or internationally. The Netherlands recently commissioned an independent scientific study on the possible application of MEG in the production of CW because an unidentified Dutch company recently supplied shipments of MEG to the Syrian Ministry of Industry. The Syrian Ministry of Industry certified the chemicals were to be used in the production of urethane and antifreeze. The Netherlands noted that the Syrian Ministry of Industry allegedly serves as a front organization for procurement efforts of the SSRC under the Syrian Ministry of Defense. The Netherlands said that the MEG can be converted to 2-chloroethanol, which can be used for the production of VX and sulfur mustard. In the past, SSRC had a need for MEG given the supply of ten tons of MEG by the Iranian DIO in

¶2002. The Netherlands discussed how to make 2-chloroethanol using MEG. The Netherlands commented that they are not at this time recommending the inclusion of MEG on any AG control lists, but welcome comments from other AG members on MEG trade to countries of concern. This paper is available online.

¶21. (S) The US presented on Syria CW.

¶22. (S) France presented a PowerPoint presentation on Syrian cooperation with Russia. France presented on an unspecified joint project between the Syrian Environmental Studies Research Centre (ESRC) and the Oriental Petrochemical Industry (VNKHK) of Russia. The ESRC would own 49 percent and the Russian company would own 51 percent. The people involved in the joint project were Mahmud Saleh Soliman and Mustafa Tiaess from the ESRC, and Arkadiy Vinogradov from VNKHK. France also talked about a publication from 1998 describing a project between Mustafa Tiaess and Anatoliy Kuntsevich, the former Soviet chemical warfare expert, on activated carbon. France noted that Kuntsevich was suspected to have provided Syria with precursors prior to his death. This PowerPoint presentation was not given out at the meeting.

¶23. (S) The US presented on Syria BW.

¶24. (S) Argentina noted the distribution of a paper entitled 'Biological Weapons Programs - An Overview.' The papers contain an annex with a table that highlights Argentina's assessments on BW proliferation concerns. The countries include: Iran, Iraq, Syria, Egypt, Libya, Cuba, North Korea, Pakistan, India, and China. The paper and annex is available online.

¶25. (S) Argentina noted the distribution of a paper entitled 'Chemical Weapons Programs - An Overview.' The papers contain an annex with a table that highlights Argentina's assessments on CW proliferation concerns. The countries include: Iran, Iraq, Syria, Egypt, Libya, North Korea, Pakistan, India, and China. The paper and annex is available online.

¶26. (S) New Zealand commented on possible Iranian-Syrian cooperation. New Zealand assesses that the cooperation is mainly driven by Iran's desire for increased strategic importance in the region. New Zealand also assesses that Iran's biotechnology sector is far more advanced than Syria's, and Iran does not mind sharing its knowledge with Syria.

¶27. (S) The US presented on Albania CW and Russia CBW.

¶28. (S) Canada interjected a comment regarding Russian transparency related to the CWC and BTWC. Canada noted that since former President Yeltsin's announcement in 1992 of the existence and termination of the Russian BW program. Russia in 1992 submitted Confidence Building Measures (CBM) documentation to the BTWC, which detail numerous institutes involved in offensive BW programs. Since that time, Russia has repeatedly denied ever having an offensive BW program. Canada encouraged Russia to open MOD institutes to AG member states in an effort to answer questions regarding Russia's current activities and past Soviet activities. Canada noted that Russian transparency would be increased if it submitted an updated CBM. Russia has failed to acknowledge public statements made by former Russian CW researchers on Novichok, CW agents. Canada mentioned that current Russian CW experts are still restricted from traveling abroad. Canada continues to have concerns regarding Russian compliance in the CWC.

¶29. (S) The US presented on Pakistan CBW.

¶30. (S) France presented a paper entitled 'Pakistan Cooperation with China.' France stated that since the beginning of 2004, Pakistan has been dealing with the Chinese company, Polytechnologies Inc. to acquire a production plant of military grade activated carbon with a capacity of 500 tons per year. This project also would supply analysis equipment to certify the activated carbon, protection means to handle toxic chemicals during the certification tests, and some chemicals used for these tests- cyanogen chloride, hydrocyanic acid, phosgene, and dimethyl methyl phosphonate (DMMP). France noted that when Pakistan receives these elements, Pakistan will be able to indigenously produce efficient filters for individual and collective protection against chemical warfare agents. Moreover, they will have a certification laboratory for military grade activated carbon. France mentioned that via this cooperation, Pakistan is also trying to acquire knowledge of toxic chemical production and a 200Kg quantity of DMMP, a major precursor for sarin, soman and VX. This paper is available online.

¶31. (S) US presented on India CBW.

¶32. (S) Australia gave a presentation on South East Asia CBW Proliferation. Australia does not believe that any country

in South East Asia appears to be developing an offensive CBW capability. Australia has concerns with the area because of the possibility of proliferation and potential terrorist access. Australia noted that South East Asia lacks export control legislation, the motivation to enact legislation, and a capability to enforce export controls. Australia noted that the busiest ports are Singapore and in Malaysia, and they have uneven enforcement of export controls. Australia noted that ports in Cambodia and Brunei may be next. Regional terrorist groups are interested in CBRN capabilities, but they are assessed to have low technological sophistication. For these terrorist groups, the initial acquisition of virulent pathogens and chemicals pose the greatest challenge.

Australia commented that Jemaah Islamiyah (JI) prefers methods that induce mass casualty outcomes, rather than disruption, but Australia assesses that JI's interest in BW related attacks may have been reduced by recent safehouse raids. Australia has concerns with the security of CBW materials in the area because security is less stringent than the West. The Philippines and Indonesia are upgrading biocontainment facilities to BL3 at the Research Institute for Tropical Medicine and the Research Institute for Veterinary Science, respectively. New Zealand raised its concerns over the proliferation of high biosecurity containment facilities to these countries, except for Singapore. New Zealand's general concerns stem from an assessment that these facilities are poorly maintained, poorly funded and are lacking in procedures and processes to guarantee the security of highly pathogenic organisms.

133. (S) The UK presented a paper entitled 'Production of AG listed Dual-Use Chemical Manufacturing Equipment in Non-AG Countries in Asia.' The UK judges that producers of AG listed dual-use chemical manufacturing equipment have been identified in China, India and Taiwan and that these countries have sufficiently large and developed chemical industries to justify a market for indigenous manufacturers of this type of equipment. Additionally, Bangladesh, Indonesia, Malaysia, Pakistan, Philippines, Singapore, Thailand and Vietnam have a limited number of civil requirements for dual-use chemical manufacturing equipment. No manufacturers of this type of equipment have been identified in these countries. Myanmar and the DPRK (N. Korea) may have legitimate civil requirements for some dual-use chemical equipment, though the UK cannot accurately assess their requirements for this type of equipment. This paper and its supporting tables are available online.

134. (S) The US presented on DPRK CBW and China CBW.

135. (S) The UK presented a paper on China's Research Institute of Chemical Defense (RICD) that they assess is an institute of concern. Canada commented on China's joint project with France to build a BL-4 facility in Wuhan but asked if any member had specific information regarding the location of this facility. The US commented that it would investigate this issue and raise it with Canada intersessionally. This paper was not distributed at the meeting.

(U) TOXIC EVENTS

136. (S) Australia presented information concerning toxic events in Australia in 2005. On 21 February 2005, 57 people were affected by an unknown toxic exposure at the Melbourne airport. Forty seven of the 57 were hospitalized with symptoms of nausea, vomiting, throat tightness, and shortness of breath. There were no indications of toxic release, and subsequent testing (at 3 hrs and at 5 hrs after the first symptoms appeared), including after the HVAC system returned to normal operation, showed no evidence of contaminants. Australia commented that only ten to fifteen were credible casualties because they reported symptoms at a time consistent with the chain of events. Australia assessed that the event was most likely chemically, rather than biologically, caused, because the victims recovered quickly, there were no abnormalities in their blood (NFI), and there were no long term effects; however, Australia has not identified a chemical that would cause the symptoms, and there was no specific information that Melbourne's airport was a potential target. A full investigation of possible causes for the event did not reveal suspect toxic substances and the event was declared unexplainable. There were several white powder events during June at the Indonesian embassy in Canberra as well as one event at Parliament House also in June 2005. No toxic material was detected in the white powder. The Australians assessed that these events were related to the trial of an Australian citizen convicted in Indonesia on drug trafficking charges. The last confirmed powder incident that tested positive for at least *Bacillus thuringiensis* occurred in 2004 at the Sydney airport. The presentation highlighted the disruptive effect that even a low-grade CBW-related incident could cause.

(U) TERRORISM AND OTHER NONSTATE ISSUES

137. (S) The US presented on CBW terrorism.

138. (S) Canada presented on terrorist CBW capabilities. Canada assesses that anthrax, ricin, and botulinum toxin (bot tox) are the most sought after agents, but there has been no success in their production due to a lack of resources and expertise. Most jihadist internet recipes are crude and incomplete or technically inaccurate as to affect the quality and quantity of product. In contrast to most recipes, a comprehensive terrorist botulinum toxin manual in mainly English with some Arabic was found on the web. The SITE Institute recovered the approximately 25-paged manual and posted it on the web at www.siteinstitute.org. Canadian defense experts found the manual is too technically detailed for most terrorists, but it is the most accurate found to date. It compiles information from various sources including the Journal of Medical Science, the US FDA, Protein Purification Protocols, and other open sources. The manual contains six chapters: 1) Finding Clostridium botulinum/isolation and purification, 2) Conditions for toxin production, 3) isolation and purification, 4) Mouse toxin assay, 5) Storage and stability and, 6) Weaponization. The instructions on finding Clostridium botulinum are sparse, and there are omissions or vague guidelines on liquefaction and selecting pure isolates and anaerobic growth conditions. The instructions on protein purification using ammonium sulfate precipitation are inefficient but could work because they are technically accurate. There are some errors in math and figures quoted, especially with regard to toxicity and growth times, but experienced microbiologists could decipher the instructions and could potentially produce 664 lethal human oral doses, if optimally disseminated. The author suggested novel mechanisms for dissemination, including dissolving the toxin in detergent and water and using a nebulizer to disperse the suspension. The author notes that 0.5-5 microns is the optimal particle size for dissemination, and he also suggests a method for producing a dusty form of bot tox and for poisoning food and water. The Canadians assess the author has a reasonable understanding of microbiology and probably has some formal education. The author understands English well, but he probably retyped the information from other English-language sources. In conclusion, the Canadians noted that the manual is the most comprehensive jihadist toxin production manual produced to date, and a skilled person could produce some bot tox, but the individual would need to produce multiple batches for anything beyond a small-scale attack. The Canadians assess that the improvised spray solution would not be efficient at producing casualties, and the isolation of Clostridium botulinum from soil would pose the most daunting challenge.

139. (S) Italy presented a PowerPoint presentation on 'Emerging Zoonoses Could Influence AG Lists?' The focus of the presentation is the hazard posed by zoonotic disease as they jump from animals to human-to-human disease. Many zoonotic diseases, such as rabies, are appropriate for terrorist purposes because of their high morbidity and mortality. Insect vectors make disease monitoring and surveillance difficult. Zoonoses have an expanding host range, and Italy cited SARS, vCJD, HIV, Ebola, and influenza as recent examples of agents that have crossed into the human population. The presentation notes animal diseases notifiable to the World Organization for Animal Health (OIE) and those noted by the WHO. Italy presented the EU's monitoring data for several zoonotic diseases, and noted that very few of the agents that cause these diseases are on the AG control lists. Italy specifically discussed avian influenza, West Nile Virus, and rabies incidents and outbreaks. Italy's considerations when weighing the threat posed by zoonotic diseases are that 75 percent of emerging diseases have zoonotic origin, foodstuffs should be the preferred method of dissemination by nonstate actors, acts of terrorism would most likely be small-scale, and new hazardous microorganisms could be used as BW. Italy concluded that the AG should continuously monitor and update its control lists or design new criteria for the addition of new agents. This paper and its supporting tables are available online.

(U) DENIALS AND TREND ANALYSIS

140. (S) Australia presented on CBW denial and catch-all trends. Iran is consistently the country with the highest number of CW/BW denials. Iran is also responsible for most catch-all denials, which are mostly BW-applicable. Since 1991 overall denials have risen from less than five in 1991 to a peak of 35 in 1995, to a low again in 1999 of ten to a peak of almost 55 in 2003, with a decline to 44 in 2004. While specific denials are down, the continued rise of catch-all denials since 1996 is of interest, perhaps indicating new proliferation risks, changes in proliferant behavior, and/or the need to evaluate the control lists.

Iran, Pakistan, Syria, India, and the DPRK continue to represent the greatest share of CW denials and Iran, India, Pakistan, and Syria dominate the catch-all denials. In 2005, Iran represented the majority of all BW denials. Precursors constitute the bulk of CW denials, particularly potassium and sodium cyanide (tabun precursors), sodium sulfide, thionyl chloride (mustard precursors) and sodium fluoride (sarin). BW denials are for equipment specifically fermenters, freeze dryers, and incubators. Overall denial processing time has increased recently, and despite our efforts, proliferators continue to seek controlled technology. The increase in catch-alls may mean that the AG control list should be updated.

(U) TRADE IN AG-CONTROLLED ITEMS

141. (S) France presented a paper entitled, 'Problems Relating to the Export of Used Dual-Use Chemical Manufacturing Equipment.' France assesses that trade in used chemical manufacturing equipment can circumvent export controls of dual-use items. Some trade and export companies are not always familiar with European legislation on the export of dual-use items and do not apply for export licenses. France suggested affixing proof marks, or markers, which state the equipment is subject to export controls, to the equipment at the end of the manufacturing process. Such markers could aid in immediate recognition of the sensitivity of certain products and enhance traceability. France concluded that the issue of export controls of used chemical manufacturing equipment calls for in-depth examination and global action. Although at first glance this market appears to be a marginal one, it nonetheless presents vulnerability that should definitely be taken into account. During the joint Information Exchange-Enforcement Session the following morning, Canada supported France's proposal on marking dual-use equipment and recommended that this proposal be explored by AG members in the future. France will follow-up intersessionally on their proposal to affix marks to AG controlled equipment.

(U) PROSPECTIVE NEW MEMBERS

142. (S) The Chair invited members to comment on Russia's interest in becoming a member of the Australia Group. The UK commented on their concerns regarding Russian transparency about its CBW programs. The UK doubts the accuracy of the Russian CWC declaration, and efforts to clarify concerns have been unsuccessful. The UK assesses that Russia maintains a CW program and makes agents that can defeat defensive measures that are not declared to the OPCW. The UK was concerned about the possibility that incapacitants, like those used in the Dubrovka Theater, may be a part the offensive CW program. The UK thinks that Russia may have a CW mobilization capability and stores precursor chemicals. The UK believes that Russia's export control enforcement is feckless. Russia's CW infrastructure was the largest ever assembled, and that although work with the ISTC has mitigated many risks, the UK nonetheless harbors several concerns about past and current activities. The UK also is concerned that Russia's offensive BW program may continue, and several questions remain because of a lack of access to Russian military facilities. The UK mentioned that there were a number of occasions where Russia demonstrated poor export control (NFI). Russia's BW program was the largest in history, involving thousands of scientists, so the potential for proliferation is enormous. ISTC initiatives have helped mitigate some of the threat, but there are a number of outstanding issues. In conclusion, the UK stated that they remain concerned about the transparency of past CW and BW programs, whether the programs have continued, Russia's behavior and compliance with arms control regimes, and the effectiveness of Russian export controls.

143. (S) The Chair asked the plenary to note the arguments in favor of continued caution over Russia's prospective membership. See septel for Australia Group statement on Russian and Croatian membership.

(U) OTHER MATERIALS

144. (S) Spain distributed a paper that was not presented entitled 'Iran Strategies for the Procurement of Dual-use Materials, Equipment, and Technologies.' The paper concluded that proliferating countries such as Iran have changed their procurement strategies because of the difficulties in procuring material for WMD programs. The trends are directed toward the use of front companies and intermediaries abroad, but this will result in a rise in the real cost of the goods and a decrease in the reliability of equipment. As an alternative to these procurement methods, proliferating

countries will seek to set up networks that are not connected to the governments. One may see front companies and intermediaries involved in the same commercial transactions. This paper is available online.

(U) LOOKING AHEAD

145. (S) Romania commented that an updated version of the CD-ROM describing AG members, export controls was not available because Romania was still waiting on input from AG members. The Chair reported to the plenary to encourage members to provide updated information on their export controls as soon as practicable.

146. (S) The Chair of the IE sought ideas for the 2007 IE. Biosecurity, specifically in South East Asia, and emerging technologies, such as chemical microreactors and disposable bioreactors, were again flagged for discussion during the meeting. The Chair recommended to the plenary that biosecurity, specifically in South East Asia, and emerging technologies, such as chemical microreactors and disposable bioreactors, be considered for next year's agenda.

(U) JOINT INFORMATION-ENFORCEMENT EXCHANGE

147. (S) The US presented on CW internet message boards.

148. (S) Japan gave a PowerPoint presentation on several case studies involving suspicious cargo transfers from China to Pakistan through Japan. The four cases presented occurred in 2005, and the three ships involved were the Bolan, the Islamabad, and the Khairpur. All were Pakistani owned vessels. The first Bolan transfer was of 600 tons of ferrosilicon and an unknown quantity of anhydrous sodium sulfate from NORINCO to a Pakistan ordinance factory. The Islamabad had 196 boxes of detonators and 175 boxes of ammunition, also from NORINCO. The second Bolan transfer involved a rubber vulcanization machine, 1,215 tons of sodium sulfide, and 110 tons of ferrosilicon from Tianjin Foreign Trade Chemical and Medical Products Company to an unknown consigner in Pakistan. The Khairpur had a cargo of sodium sulfide, caustic soda, aluminum chloride, zinc chloride, and aluminum hydroxide. The Japanese Coast Guard inspected all of these ships, and notified the authorities of the results, but no enforcement action was taken because cargoes could not be opened without the consent of the shippers, and the Japanese Coast Guard believed there was a high probability that the shippers would deny permission. Japan needs a legal basis to take action to suspend or stop the transit or transshipment of items. Japan is working on domestic measures to deal with these issues to include transit, transshipment, and brokering.

149. (U) For additional information on the 2006 AG information exchange or copies of presentations, where available, contact Christian Westermann, Department of State (INR/SPM), Washington, DC 20520; e-mail westermanncp2@state.sgov.gov or cwestermann@state.ic.gov or (202) 647-8230 or SECURE 978-2011. This cable has been coordinated with Embassy Paris and the AG U.S. Delegation.

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